NCZICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM ANY INSTRUMENT THAT TRANSFERS AN INTEREST IN REAL PROPERTY BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR

DRIVER'S LICENSE NUMBER.
Producers 88 (4-89) — Paid Up
With 640 Acres Pooling Provision
STANDARD LEASE v.5

PAID UP OIL AND GAS LEASE

TARRANT COUNTY, TEXAS, ACCORDING TO THAT CECHAIN PLATE RECORDED TO THE PLATE RECORDED TARRANT COUNTY, TEXAS. The County of TARRANT SUBJECT STATES State of TEXAS, containing to the county of the cou	(No Surfac	ce Use)
of the southern and the season that a size of the southern and the souther	THIS LEASE AGREEMENT is made this 27 day of May	, 2009, by and between
AND THE PLATE TOWN THE TREATER LAND BE ADMITTED. THE PLATE TOWN TO THE GET YOUR CONTROL THE TREATER AND ALL HERD TO THE TREATER AND ALL HERD TOWN THE TREATE		
and, PALE RECEIV SERVICES, L.C., 2100 fees Amenin, Suite 1977, Dalled Traves 150011, as Laston, All officed portions of the lease were prepared by the party of the state were prepared by the party of the state of		ort worth Texas 26119 as Lesson
1. In conditionation of a reach boson in hard pied and the covariants herein contained. Lessed nicesely grants, losses and risk exclusively to Lessee the following described less, instantial reliable lesses. It is a contained to the country. Texas a CCORDING TO THAT CERTAIN PLAT RECORDED IN VOLUME	and, DALE PROPERTY SERVICES, L.L.C., 2100 Ross Avenue, Suite 1870 Dallas Tex.	as 75201, as Lessee. All printed portions of this lease were prepared by the party
ADDITION. AN ADDITION AN ADDITION AN ADDITION AN ADDITION TO THE CITY OF ADDITION AN ADDITION AN ADDITION TO THE CITY OF ADDITION AN ADDITION AN ADDITION AN ADDITION TO THE CITY OF ADDITION AN ADDITION AND ADDITION ADDITION AND ADDITION ADDITION AND ADDITION ADDITION AND ADDITION ADDITION AND ADDITION AND ADDITION AND ADDITION AND ADDITION AND A	1. In consideration of a cash bonus in hand paid and the covenants herein conta	
OUT OF THE LIGHT OF THE PLAT RECORDS OF TARRANT COUNTY, TEXAS. ACCORDING TO THAT CERTAIN PLAT RECORDS OF TARRANT COUNTY, TEXAS. In the County of Tarrant! State of TEXAS, containing #6.5 grass acres, mile or less tincloding any introduction with Lessor may hereafter acquire by many promption or demonstration process. In addition to the above-described based promises, with all hydrocarbons and on the process of control pass. In addition to the above-described based promises, with an important of the above-described based promises, and is controlled to the above-described based promises and from his above described based promises, and from his above described based promises and from his above described based promises and from his above described by the above described by the above described based promises and from his above described by the above described based promises and from his above described by the above described based promises and from his above described by the above described based of the above		
TARRANT COUNTY, TEXAS, ACCORDING TO THAT ECONDO THAT ARE CONTROL SERVIN PLATE RECORDS OF THE PLAT RECORDS OF THE PLAT RECORDS OF THE PLATE RECORDS OF THE PL	AONEO OF CAME, MONE ON CLOS, DE ING COT(3)	9A , BLOCK <u>8</u>
in the County of Tarranth Gust, errors, containing	OUT OF THE SECTIONAL CITY	ADDITION, AN ADDITION TO THE CITY OF
reversion, preception or charvase), for the purpose of capabining style, developing, producing and maintening coil and gas, along with all rydicocration and not hydrocation or control. In the term "gas" or such term "gas"	IN VOLUME 388-M , PAGE 271 OF	HE PLAT RECORDS OF TARRANT COUNTY, TEXAS.
reversion, prescription or charvase), for the purpose of cophoring for, developing, processing and marketing oil and gas, along with all hydrocarbon and non hydrocarbon controls on account on the term "gas" as used before; actived as the control of the control	Jan	
abblances produced in association biscovatific (clusting applications to head solve-described) leaded presents, this leaves all covers accretions on present of common com	in the County of <u>Tarrant</u> , State of TEXAS, containing <u>985</u> gross acres, n	ore or less (including any interests therein which Lessor may hereafter acquire by
land now of heteration covered by Lesson which are contiguous or adjacent to the above-described assess greater secure, and, in consideration of the abborned content countries of the content of the purpose of determining the emotive of any clusted in registers hereunder. The restriction of supportant the content of purpose of the content of the cont	substances produced in association therewith (including geophysical/seismic operations). The term "gas" as used herein includes helium, carbon dioxide and other
2. This lease, which is a "pack-dry" lease requiring nor certific, shall be to force for a privary term of	land now or hereafter owned by Lessor which are contiguous or adjacent to the above-des	dribed leased premises, and, in consideration of the aforementioned cash bonus,
as long threatfers as oil or gas or other substances covered hereby as produced in evident countries to the provisions heard. To represent the state of the production in the provisions heard. To represent the state of the production in the production in the state of the production in the state of	cessor agrees to execute at Lessee's request any additional or supplemental instruments for of determining the amount of any shut-in royalties hereunder, the number of gross acres about the number of gross acres acr	r a more complete or accurate description of the land so covered. For the purpose rye specified shall be deemed correct, whether actually more or less.
as long threatfers as oil or gas or ather substances covered breedy are produced in evident countries to the provisions heard of another through any place of the control o	2. This lease, which is a "paid-up" lease requiring no rentals, shall be in force for a pr	imagy term of Five 1 (5) years from the date bereof and for
3. Royalties on oil, gas and other dustainces produced and aware hereofeed at Lessor as follows: (a) For oil and other fluid hydrocarbons expensed at Lessors in the weithead or to Lessor's medit at the oil purchased sharpoprotection facilities, the royalty shall be **Tell** fluid f	as long thereafter as oil or gas or other substances covered hereby are produced in paying	quantities from the leased premises or from lands pooled therewith or this lease is
Lassor at the Welheld of Dr. Lessors credit at the oil purchaser's transportation forbilles, provided that Lessee shall have the continuing right to purchase such production at the well-beau forbill to purchase and the continuing right to purchase such production at the providing in the order color laws and the continuing right to purchase such production at the providing well-beautiful purchase such production at the providing right purchase such production of suitar quality in the same field (or if there is no such price burnary to the same field (or if there is no such price burnary to the production of suitar purchases the resurder, and (c) if at the end of the primary term or any time reverse to the production of the providing price) purchase the comparable purchase contracts cannot be under the production of the providing price) purchase the comparable purchase contracts cannot be under the production of the pr	Royalties on oil, gas and other substances produced and saved hereupder shall !	e paid by Lessee to Lessor as follows: (a) For oil and other liquid hydrocarbons
prevailing once) 39, projection of similar grabs and gravity; (b) for gas (including casing head gas) and all other substances covered hereby, the royally shall be continuing right to purchase step gas to the provision of the p	Lessor at the wellnead of to Lessor's credit at the oil purchaser's transportation facilities, or	ovided that Lessee shall have the continuing right to purchase such production at
severance, of other excises laxes and the cost incurred by Lessee in delivering, processing or otherwise marketing such age or other substances, provided that Lessee shall nave the continuing into the provisions and the prevailing which a provailing in the same field, then in the nazers field in which there is such a prevailing price in pursuant to comparable purbases contracts entered into on the same or the provisions of the purbase of the purbase of purbases hereunder, and (c) if at the end of the primary term or any time threated runs or more wells on the leased premises or lands due to the purbase of the purb	 prevailing price) for production of similar grade and gravity; (b) for gas (including cas 	ing head gas) and all other substances covered hereby, the rovalty shall be
nave the continuing ngrit to purchase such production at the prevailing wellholded market price paid for production of similar quality in the same field (or if there is not such price uner prevailing in the same for the same or mere well as the production of similar quality in the same for the same or more well as the same or mere as the same or mere than the same or mere same or mere as the same o	severance, or other excise taxes and the costs incurred by Lessee in delivering, processing	or otherwise marketing such gas or other substances, provided that Lessee shall
nearest preceding date as the date of which Lessee commences its purchases hereunder, and (c) if at the end of the primary term or any time thereafter one or more wells on the asset premises or inants positive with or veil as an either shirling or production there is not being sool by Lessees, such well or veils shall nevertheless be deemed to producing in paying quantities for the purpose of inmantaring this lesses. If no a primary primary the producing of the producing or inmantaring this lesses. If no a primary primary the producing of the refer from is not being sool to be called premise or a control of the purpose of the purpose of inmantaring this lesses. If no a primary primary the production there from is not being sool to be called premises or the lesses of the purpose of the purpo	 nave the continuing right to purchase such production at the prevailing wellhead market price 	elpaid for production of similar quality in the same field (or if there is no such price
Injurialization fracture stimulation, but such well or wells are either shut-in or production there from is not being sold by Lesses, such well or wells are think or production in paying quantities to the purpose of maintaining this lease. If no a period of 96 consecutive days such well or wells are shut-in or production here from is not being sold by Lesses, the payment to be made to Lessor or to Lessor's credit in the deposition of paginged below, on or before the end of said 50 day portod and thereafter and obstere each anniversary of the end of said 50 days period will be the selected that if this lease is otherwise being maintained by or production is being soft by Lesses from another well or wells on the lessed promises of the selected that if this lease is otherwise being maintained by or production is being soft by Lesses from another well or wells on the leased promises or control that the selected that it is a selected to the production of the selected that it is a selected to the selected to the selected to the selected that it is a selected to the selected to the selected that it is a selected to the selected to the selected to the selected that it is a selected to the selected to the selected to the selected that it is a selected to the selected that it is selected to the selected that it i	nearest preceding date as the date on which Lessee commences its purchases hereunder:	and (c) if at the end of the primary term or any time thereafter one or more wells on
being sold by Lessee, he'n Lessee shall pay shut-in royalty of one dollar per acre then covered by this lease, such payment to be made to Lessor or to Lessor's credit in the depository designated below, on or before the end of said 90 day period and threaters on per before each anniversary of the end of said 90 day period while the well or wells are shut-in or production there from is not being sold by Lessee; provided that if this lease is notherwise being maintained by operations, or if production is being sold by Lessee from another well or wells on the leased premises or in ands pooled therewith, no shutch royalty shall be due to be 30 day period next following cessation of such operations or production. Lessee's taiture to properly pay suth-in-royalty shall render Lessee liable for the amount due, but shall not operate to terminate this lease. 4 and shut-in-royalty payments under this lease shall be lease of and and and rendered to Lessor's credit in a tract sacr's address above. or its successors, which shall be addressed to the depository or for the Lessor and the standard such payments or intends and the rendered payment in the control payments or intends and the depository of the Lessor at the last address known to Lessee shall constitute power payment between the rendered payment hereunder. Lessor shall, at Lessee's request, deliver to Lessee a proper recognized instrument part of the production in the control payment hereunder. Lessor shall, at Lessee's request, deliver to Lessee a proper recognized instrument payment institution as depository agent to recolving an existing with the control payment institution as depository agent to recolving an existing with the production of the providers of the production in paying quantities perma	hydraulic fracture stimulation, but such well or wells are either shut-in or production there fro	m is not being sold by Lessee, such well or wells shall nevertheless be deemed to
are shuf-in or production there from is not being sold by Lesse; provided that if this lease is otherwise being maintained by operations, or if production is being sold by Lesses from another weil or wells on the leased premises or lands pooled therewith, no shuff, proxyls shall be until the end of the 90-day period next following cessation of such operations or production. Lesses is failure to properly pay shuf-in royally shall render Lesses liable for the amount due, but shall not operate to terminate this lease. 4. All shuf-in royally spaments or lenders to Lessor or to the depository should be Lessor or to Lessor's address above. or its successor, which shall be Lessor's depository agent for receiving payments regardless of changes in the ownship of said land. All payments or tenders may be made in currency, or by check or by deposit or the said shall be seen as a supplement of the depository or to the Lessor at the last address known to Lesses shall constitute proper payment. If the depository should liquidate or be succeeded by another institution, or for any reason fail or refuse to accept payment hereunder, Lessors shall, at Lesses are request, deliver to Lesses a proner recordable instrument naming antibles (hereinafter called "dry hole") on the leased payment hereunder, Lessors shall, at Lesses are request, deliver to Lesses exported in the state of the provisions of Paragraph 3. above, if Lesses edifies well without its incapable of producting in paying quantities peoperations of paying quantities permanently cesses from any cause, including a revision of unit boundaries pursuant to the provisions of Paragraph 0 or the action of any governmental authority, then in the event this lease is not otherwise being maintained in force to a days after such dessead on the production in paying quantities or land production. It at the end of the primary term, cluding a subject to the such as a production in the paying quantities or land product therewith as a freasonably production or of such apparent and the s	being sold by Lessee, then Lessee shall pay shut-in royalty of one dollar per acre then covi	aried by this lease, such payment to be made to Lessor or to Lessor's credit in the
4. All shulth royally payments under this lease shall be paid or tendered to Lessor or to Lessor's cardinas above. 4. All shulth royally apparents under this lease shall be paid or tendered to Lessor's cardinas and the seasor's address shown or its successors, which shall be Lessor's address or charges in the ownership of said land. All payments or tenders may be made in currency, or by check or by chart and such payments or tenders to Lessor or to the depository or to the Lessor at the last standard payment and the landard pay	are shut-in or production there from is not being sold by Lessee; provided that if this leas	e is otherwise being maintained by operations, or if production is being sold by
A. All Shukh royally payments under this lease shall be paid or tendered to Lessor or to Lessor's cradit in _at tessor's address above_ or its successors, which shall be Lessor's depository agent for receiving payments regardless of changes in the wornership of said land, All padressed to the depository or to the Lessor at the last address known to Lessee shall constitute proxper payment. If the depository should liquidate or be succeeded by another institution, or for any reason fail or refuse to accept payment hereunder, Lessor shall, at Lessee's request, deliver to Lessee a proper recordable instrument naming another institution, or for any reason fail or refuse to accept payment hereunder, Lessor shall, at Lessee's request, deliver to Lessee as proper recordable instrument naming another institution, or for any reason fail or refuse to accept payments. 5. Except as provided for in Paragraph 6 or the action of any governmental authority, then in the event like lesse is not otherwise being maintained in force it shall nevertheless remain in force if Paragraph 6 or the action of any governmental authority, then in the event like lesse is not otherwise being maintained in force it shall nevertheless remain in force if Lessee commences operations for reworking an existing well or for drilling an additional vellor for otherwise obtaining or restoring production on the leased permisses or lands pooled therewith within 90 days after completion of operations on such dry hole or within 90 days after such existing or production or for the or the primary term, or at any time thereafter, this lease is not otherwise being maintained in force but Lessee is then engaged in drilling, reworking or any other operations reasonably calculated to obtain or resideor permisers or lands pooled therewish. After completion or all any production in paying quantities greations are prosecuted with no exessation of more than 90 consecutive days, and if any such operations are prosecuted via the production of production in paying quantit	of such operations or production. Lessee's failure to properly pay shut-in royalty shall render	Lessee liable for the amount due, but shall not operate to terminate this lease.
draft and Such payments or tenders to Lessor of to the depository by deposit in the US Mails in a stamped envelope addressed to the depository or to the Lessor at the last address known to Lessee shall, at Lessee's request, deliver to Lessee a proper recordable instrument naming another institution, or for any reason fail or refuse to accept payment hereunder, Lessor shall, at Lessee's request, deliver to Lessee a proper recordable instrument naming another institution as depository agent to receive payments. 5. Except as provided for in Paragraph 6 or of the action of any governmental authority, then in the event is lease is not otherwise being maintained in force it shall nevertheless remain in force if Lessee commences operations for reworking an existing well or for drilling an additional well or for otherwise obtaining or restoring production on the leased premises or lands pooled therewith within 90 days after councillations or such days after south cessation of all production. If at the end of the primary term, or at any time thereafter, this lease is not otherwise being maintained in force but Lessee is then engaged in drilling, reworking or any other operations reasonably calculated to obtain or restore production therefrom, this lease shall remain in force so that such as a consumbly calculated to obtain or restore production therefrom, this lease shall remain in force so long as any nor or more of such operations are prosecuted with no cessation of more than 90 consecutive days, and if any such operations are gooded therewith. After completion of a well capable of production in paying quantilities hereunder, Lessee shall drill such additional wells on the leased premises or lands pooled therewith, and the leased premises or lands pooled therewith as a (reasonably prudent operator would drill under the same or similar circumstances to (a) develop the leased premises as to formations then capable of producing in paying quantilies here under, Lessee shall have the right but not the eligible or equivale	4. All shul-in royalty payments under this lease shall be paid or tendered to Lessor o be Lessor's depository agent for receiving payments regardless of changes in the ownership	to Lessor's credit in <u>at lessor's address above</u> or its successors, which shall of said land. All payments or tenders may be made in currency, or by check or by
payment heretunder, Lessor shall, at Lessee's request, deliver to Lessee a proper recordable instrument naming another institution as depository agent to receive payments. 5. Except as provided for in Paragraph 1. above, if Lessee drills a well which is incapable of producing in paying quantities (hereinather called "dry hole") on the leased premises or lands pooled therewith, or if all production (whether or not in paying quantities) permanently cases from any cause, including a revision of unit boundaries before the provisions of Paragraph 6 or the action of any governmental authority, then in the cent this lease is not otherwise obtaining or restoring production on the leased premises or lands pooled therewith within 50 days after south cessation of all production. If at the end of the primary term, or at any time thereafter, this lease is not otherwise being maintained in force but Lessee is then engaged in drilling, reworking or any other presentations are accordance to the primary term, or at any time thereafter, this lease is not otherwise being maintained in force but Lessee is then engaged in drilling, reworking or any other paragraphs. The production of the primary term, or at any time thereafter, this lease is not otherwise being maintained in force but Lessee is then engaged in drilling, reworking or any other paragraphs are accordanced to the paragraph of the primary term, or at any time thereafter, this lease is not otherwise being maintained in force but Lessee is the engaged in drilling, reworking or any other the primary term, or at any time thereafter, this lease is not otherwise being maintained in force but Lessee in the primary term, or at any time thereafter, this lease is not otherwise being maintained in production. If at the end of the primary term, or at any time thereafter, the primary term, or at any time thereafter, the leased premises or lands pooled therewith. There shall remain for one of production in paying quantities from the leased premises or lands of primary term, or any a	draft and such payments or tenders to Lessor or to the depository by deposit in the US Ma	Is in a stamped envelope addressed to the depository or to the Lessor at the last
premises or lands pooled therewith, or if all production (whether or not in paying quantities) permanently ceases from any cause, including a revision of unit boundaries pursuant to the provisions of Prangraph 6 or the action of any governmental authority, then in the vent this lease is not otherwise being maintained in force it shall nevertheless remain in force if Lessee commences operations or completion of operations or such dry hole or within 90 days after completion of operations are used by the provision of all production. If at the end of the primary term, or at any time thereafter, this lease is not otherwise being maintained in force but Lessee is then engaged in drilling, reworking or any other operations reasonably calculated to obtain or restore production thereform, this lease shall remain in force so long as any one or more of such operations are prosecuted with no cessation of more than 90 consecutive days, and if any such operations result in the production of oil or gas or other substances covered hereby, as long thereafter as there is production in paying quantities form the leased premises or lands pooled therewith a alreasonably prudent operator would drill under the same or similar circumstances to (a) develop the leased premises as to formations then capable of production in paying quantities on the leased premises from uncompensated drainage by any well or wells located on other lands not pooled therewith. The leased premises from uncompensated rainage by any well or wells located on other lands not pooled therewith. The shall be no covenant to drill exploratory wells or any additional wells except as expressly provided herein. 10. Lesses shall have the right but not the obligation to pool all or any part of the leased premises or interest therein with any other lands or interests, as to any or all depths or zones, and as to any or all substances covered by this lease, either before or after the commencement of production, whenever Lessee deems it necessary or proper to do so in order t	payment hereunder, Lessor shall, at Lessee's request, deliver to Lessee a proper recordable	instrument naming another institution as depository agent to receive payments.
nevertheless remain in force if Lessee commences operations for reworking an existing well or for drilling an additional well or for otherwise obtaining or restoring production on the leased premises or lands pooled therewith within 90 days after completion of operations on such dry hole or within 90 days after such cessation of all production. If at the end of the primary term, or at any time thereafter, this lease is not otherwise being maintained in force but Lessee is then engaged in drilling, reworking or any other operations reasonably calculated to obtain or restore production thereform, this lease shall remain in force so long as any one or more of such operations are prosecuted with no cessation of more than 90 consecutive days, and if any such operations result in the production of oil or gas or other substances covered hereby, as long thereafter as the is production in paying quantities from the leased premises or lands pooled therewith i. After completion of a well capable of producing in paying quantities on the leased premises as the following of the leased premises or lands pooled therewith as alreasonably prudent operator would drill under the same or similar circumstances to (a) develop the leased premises as to formations then capable of producing in paying quantities on the leased premises or lands pooled therewith, or (b) to protect the leased premises from uncompensated drainage by any well or wells located on other lands in paying quantities on the leased premises or lands pooled therewith. There shall be no covenant to drill exploratory wells or any additional wells except as expressly provided herein. 6. Lessee shall have the right but not the obligation to pool all or any part of the leased premises or interest therein with any other lands or interests, as to any or all depths or zones, and as to any or all substances covered by this lease, either before or after the commencement of production, whenever Lessee deems it necessary or proper to do so in order to prudently develop or opera	premises or lands pooled therewith, or if all production (whether or not in paying quantition	es) permanently ceases from any cause, including a revision of unit boundaries
the end of the primary term, or at any time thereafter, this lease is not otherwise being mintained in force but Lessee is then engaged in drilling, reworking or any other operations reasonably calculated to other or production thereform, this lease shall remain in force so long as any one or more of such operations are prosecuted with no cessation of more than 90 consecutive days, and if any such operations result in the production in paying quantities from the leased premises or lands pooled therewith. After completion of a well capable of producing in paying quantities from the leased premises or lands pooled therewith as a reasonably prudent operator would drill under the same or similar circumstances to (a) develop the leased premises as to formations then capable of producing in paying quantities on the leased premises or lands pooled therewith. After completion of a well capable of producing in paying quantities on the leased premises or lands pooled therewith. There shall be no covenant to drill exploratory wells or producing develop the leased premises as to formation the capable of producing the paying quantities on the leased premises or lands produced therewith. 6. Lessee shall have the right but not the obligation to pool all or any part of the leased premises or interest therein with any other lands or interests, as to any or all deptits or zones, and as to any or all substances covered by this lease, either before or after the commencement of production, whenever Lessee deems it necessary or proper to do so in order to prudently develop or operate the leased premises, whether or not similar pooling authority exists with respect to such other lands or interests. The unit formed by such pooling for an oil well which is not a horizontal completion shall not exceed 80 acres plus a maximum acreage tolerance of 10%, provided that a larger unit may be formed for an oil well or gas well or a horizontal completion shall not exceed 640 acres plus a maximum acreage tolerance of 10%, provided that a larger	nevertheless remain in force if Lessee commences operations for reworking an existing well	for for drilling an additional well or for otherwise obtaining or restoring production
no cessation of more than 90 consecutive days, and if any such operations result in the production of oil or gas or other substances covered hereby, as long thereafter as there is production in paying quantities from the leased premises or lands pooled therewith, as a reasonably prudent operator would drill under the same or similar circumstances to (a) develop the leased premises as to formations then capable of producing in paying quantities on the leased premises or lands pooled therewith, or (b) to protect the cleased premises from uncompensated drainage by any well or wells located on other lands not pooled therewith. There shall be no covenant to drill exploratory wells or any additional wells except as expressly provided herein. 6. Lesses shall have the right but not the obligation to pool all or any part of the leased premises or interest therein with any other lands or interests, as to any or all depths or zones, and as to any or all substances covered by this lease, either before or after the commencement of production, whenever Lessee deems it necessary or proper to do so in order to prudently develop or operate the leased premises, whether or not similar popoling authority exists with respect to such other lands or interests. The unit formed by such pooling for an oil well which is not a horizontal completion shall not exceed 640 acres plus a maximum acreage tolerance of 10%, joroviced that a larger unit may be formed for an oil well or gas well or horizontal completion shall not exceed 640 acres plus a maximum acreage tolerance of 10%, joroviced that a larger unit may be formed for an oil well or gas well or horizontal completion on any well spacing or density pattern that may be prescribed or permitted by any governmental authority having jurisdiction to do so. For the purpose of the foregoing, the terms "oil well" and "gas well" shall have the meanings prescribed by aphylicable law or the appropriate governmental authority, or, if no definition is so prescribed, "oil well" means a well with an i	the end of the primary term, or at any time thereafter, this lease is not otherwise being m	aintained in force but Lessee is then engaged in drilling, reworking or any other
there is production in paying quantities from the leased premises or lands pooled therewith, a fate completion of a well capable of producing in paying quantities hereunder, Lessee shall drill such additional wells on the leased premises are inands producing in paying quantities on the leased premises or lands pooled therewith, or (b) to protect the leased premises from uncompensated drainage by any well or wells located on other lands not pooled therewith. There shall be no covenant to drill exploratory wells or any additional wells except as expressly provided herein. 6. Lessee shall have the right but not the obligation to pool all or any part of the leased premises or interest therein with any other lands or interests, as to any or all depths or zones, and as to any or all substances covered by this lease, either before or after the commencement of production, whenever Lessee deems it necessary or proper to do so in order to prudently develop or operate the leased premises, whether or not similar pooling authority exists with respect to such other lands or interests. The unit formed by such pooling for an oil well which is not a horizontal completion shall not exceed 640 acres plus a maximum acreage tolerance of 10%, provided that a larger unit may be formed for an oil well or gas well or a horizontal completion shall not exceed 640 acres plus a maximum acreage tolerance of 10%, provided that a larger unit may be formed for an oil well or gas well or a horizontal completion shall not exceed 640 acres plus a maximum acreage tolerance of 10%, provided that a larger unit may be formed for an oil well or gas well or a horizontal completion to conform to any well spacing or density pattern that may be prescribed by applicable law or the appropriate governmental authority, or, if no definition is so prescribed, "oil well" means a well with an initial gas-oil ratio of less than 100,000 cubic feet per barrel and "gas well" means a well with an initial gas-oil ratio of less than 100,000 cubic feet per barrel and "g	no cessation of more than 90 consecutive days, and if any such operations result in the pr	oduction of oil or gas or other substances covered hereby, as long thereafter as
to (a) develop the leased premises as to formations then capable of producing in paying quantities on the leased premises or lands pooled therewith, or (b) to protect the leased premises from uncompensated drainage by any well or wells located on other lands not pooled therewith. There shall be no covenant to drill exploratory wells or any additional wells except as expressly provided herein. 6. Lessee shall have the right but not the obligation to pool all or any part of the leased premises or interest therein with any other lands or interests, as to any or all depths or zones, and as to any or all substances covered by this lease, either before or after the commencement of production, whenever Lessee deems it necessary or proper to do so in order to prudently develop or operate the leased premises, whether or not similar pooling authority exists with respect to such other lands or interests. The unit formed by such pooling for an oil well which is not a horizontal completion shall not exceed 40 acres plus a maximum acreage tolerance of 10%, provided that a larger unit may be formed for an oil well or gas well or horizontal completion to conform to any well spacing or density pattern that may be prescribed or permitted by any governmental authority having jurisdiction to do so. For the purpose of the foregoing, the terms "oil well" and "gas well" shall have the meanings prescribed by applicable law or the appropriate governmental authority, or, if no definition is so prescribed, "oil well" means a well with an initial gas-oil ratio of less than 100,000 cubic feet per barrel and "gas well" means a well with an initial gas-oil ratio of less than 100,000 cubic feet per barrel and "gas well" means a well with an initial gas-oil ratio of less than 100,000 cubic feet per barrel and "gas well" means a well with an initial gas-oil ratio of less than 100,000 cubic feet per barrel and "gas well" means a well with an initial gas-oil ratio of less than 100,000 cubic feet per barrel, based on 24-hour production test condu	there is production in paying quantities from the leased premises or lands pooled therewith	. After completion of a well capable of producing in paying quantities hereunder,
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8. The interest of either Lessor or Lessee hereunder may be assigned, devised or otherwise transferred in whole or in part, by area and/or by depth or zone, and the rights and obligations of the parties hereunder shall extend to their respective heirs, devisees, executors, administrators, successors and assigns. No change in Lessor's ownership shall have the effect of reducing the rights or enlarging the obligations of Lessee hereunder, and no change in ownership shall be binding on Lessee until 60 days after Lessee has been furnished the original or certified or duly authenticated copies of the documents establishing such change of ownership to the satisfaction of Lessee or until Lessor has satisfied the notification requirements contained in Lessee's usual form of division order. In the event of the death of any person entitled to shut-in royalties hereunder, Lessee may pay or tender such shut-in royalties to the credit of decedent or decedent's estate in the depository designated above. If at any time two or more persons are entitled to shut-in royalties hereunder, Lessee may pay or tender such shut-in royalties to such persons or to their credit in the depository, either jointly or separately in proportion to the interest which each owns. If Lessee transfers its interest hereunder in whole or in part Lessee shall be relieved of all obligations thereafter arising with respect to the transferred interest, and failure of the transferee to satisfy such iobligations with respect to the transferred interest shall not affect the rights of Lessee with respect to any interest not so transferred. If Lessee transfers a full or undivided interest in all or any portion of the area covered by this lease, the obligation to pay or tender shut-in royalties hereunder shall be divided between Lessee and the transferee in proportion to the net acreage interest in this lease, the obligation to pay or tender shut-in royalties hereunder shall be divided between Lessee and the transferee in proportion to the net acreage interest i

the area covered by this lease or any depths or zones there under, and shall thereupon be relieved of all obligations thereafter arising with respect to the interest so released. If Lessee releases all or an undivided interest in less than all of the area covered hereby, Lessee's obligation to pay or tender shut-in royalties shall be proportionately reduced

It lesses releases all or an undivided interest in less than all of the area covered hereby. Lessee's obligation to pay or tender shul-in royalties shall be proportionately reduced in accordance with the net acreage interest retained hereunder.

10. In exploring for, developing, producing and marketing oil, gas and other substances covered hereby on the leased premises or lands pooled or untitized herewith, in primary and/or enhanced recovery, Lessee shall have the right of ingress and egrees along with the right to conduct such operations on the leased premises as may be reasonably necessary for such purposes, including but not limited to geophysical operations, the drilling of wells, and the construction and use of roads, canals, pipelines, tanks, water wells, disposal wells, injection wells, pits, electric and telephone lines, power stations, and other facilities deemed necessary by Lessee to discover, produce, store, treat and/or transport production. Lessee may use in such operations, free of cost, any oil, gas, water and/or other substances produced on the leased premises, except water from Lessor's wells or ponds. In exploring, developing, producing or marketing from the leased premises or lands pooled therewith, the anciliary rights granted herein shall apply (a) to the entire leased premises described in Paragraph 1 above, notwithstanding any partial release or other partial termination of this lease, and (b) to any other lands in which Lessor onw or hereafter has authority to grant such rights in the violinity of the leased premises or lands pooled therewith. When requested by Lessor in writing, Lessee shall bury its pipelines below ordinary plow depth on cultivated lands. No well shall be located less than 200 feet from any house or barn now on the leased premises or such other lands and to commercial timber and growing brops thereon. Lessee shall have the right at any time to remove its fixtures, equipment and materials, including well casing, from the leased premises or such other lands during the

12. In the event that Lessor, during the primary term of this lease, receives a bona fide offer which Lessor is willing to accept from any party offering to purchase from Lessor a lease covering any or all of the substances covered by this lease and covering all of a portion of the land described herein, with the lease becoming effective upon expiration of this lease, Lessor hereby agrees to notify Lessee in writing of said offer immediately, including in the notice the name and address of the offeror, the price offered and all other pertinent terms and conditions of the offer. Lessee, for a period of fifteen days after receipt of the notice, shall have the prior and preferred right and option to purchase the lease or part thereof or interest therein, covered by the offer at the price and according to the terms and conditions specified in the offer.

13. No litigation shall be initiated by Lessor with respect to any breach or default by Lessee hereunder, for a period of at least 90 days after Lessor has given Lessee written notice fully describing the breach or default, and then only if Lessee fails to remedy the breach or default, within such period. In the event the matter is litigated and there is a final judicial determination that a breach or default has occurred, this lease shall not be forfeited or canceled in whole or in part unless Lessee is given a reasonable time after said judicial determination to remedy the breach or default has becarded in the processor.

there is a final judicial determination that a breach or default has occurred, this lease shall not be forfeited or canceled in whole or in part unless Lessee is given a reasonable time after said judicial determination to remedy the breach or default and Lessee fails to do so.

14. For the same consideration recited above, Lessor hereby grants, assigns and conveys unto Lessee, its successors and assigns, a perpetual subsurface well bore easement under and through the leased premises for the placement of well bores (along routes selected by Lessee) from oil or gas wells the surface locations of which are situated on other tracts of land and which are not intended to develop the leased premises or lands pooled therewith and from which Lessor shall have no right to royalty or other benefit. Such subsurface well bore easements shall run with the land and survive any termination of this lease.

15. Lessor hereby warrants and agrees to defend title conveyed to Lessee hereunder, and agrees that Lessee at Lessee's option may pay and discharge any taxes, mortgages or liens existing, levied or assessed on or against the leased premises. If Lessee exercises such option, Lessee shall be subrogated to the rights of the party to whom payment is made, and in addition to its other rights may require the four or against the leased premises. If Lessee shall not option, Lesser beauties may able to Lesser bergunder. In the event

whom payment is made, and, in addition to its other rights, may reimburse itself out of any royalties or shut-n royalties otherwise payable to Lessor hereunder. In the event Lessee is made aware of any claim inconsistent with Lessor's title, Lessee may suspend the payment of royalties and shut-in royalties hereunder, without interest, until Lessee has been furnished satisfactory evidence that such claim has been resolved.

16. Notwithstanding anything contained to the contrary in this lease, Lessee shall not have any rights to use the surface of the leased premises for drilling or other payment.

17. This lease may be executed in counterparts, each of which is deemed an original and all of which only constitute one original.

DISCLAIMER OF REPRESENTATIONS: Lessor acknowledges that oil and gas lease payments, in the form of rental, bonus and royalty, are market sensitive and may vary depending on multiple factors and that this Lease is the product of good faith negotiations. Lessor understands that these lease payments and terms are final and that Lessor entered into this lease without duress or undue influence. Lessor recognizes that lease values could go up or down depending on market conditions. Lessor acknowledges that no representations or assurances were made in the negotiation of this lease that Lessor would get the highest price or different terms depending on future market conditions. Neither party to this lease will seek to alter the terms of this transaction based upon any differing terms which Lessee has or may negotiate with any other lessors/oil and gas owners.

IN WITNESS WHEREOF, this lease is executed to be effective as of the date first written above, but upon execution shall be binding on the signatory and the signatory's heirs, devisees, executors, administrators, successors and assigns, whether or not this lease has been executed by all parties hereinabove named as Lessor.

LESSOR (WHETHER ONE OR MORE) By: ACKNOWLEDGMENT STATE OF COUNTY OF larrant is instrument has acknowledged before me on the day of _ 2009. DURSON ria My Paclella ublic, State of MARIA MUNOZ PADILLA Notary's name (printed): Notary's commission expires: Notary Public, State of Texas My Commission Expires October 05, 2011 STATE OF COUNTY OF This instrument was acknowledged before me on the 2009, day of

> Notary Public, State of Notary's name (printed) Notary's commission expires:



DALE RESOURCES LLC 2100 ROSS AVE STE 1870 LB-9

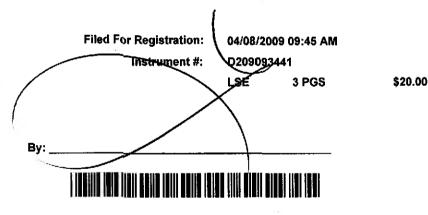
DALLAS

TX 75201

Submitter: DALE RESOURCES LLC

SUZANNE HENDERSON TARRANT COUNTY CLERK TARRANT COUNTY COURTHOUSE 100 WEST WEATHERFORD FORT WORTH, TX 76196-0401

<u>DO NOT DESTROY</u> WARNING - THIS IS PART OF THE OFFICIAL RECORD.



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ANY PROVISION WHICH RESTRICTS THE SALE, RENTAL OR USE OF THE DESCRIBED REAL PROPERTY BECAUSE OF COLOR OR RACE IS INVALID AND UNENFORCEABLE UNDER FEDERAL LAW.

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